

WEATHER FORECAST.

Fair and colder to-day; to-morrow fair;
fresh west winds.
Highest temperature yesterday, 64; lowest, 53.
Detailed weather reports will be found on Editorial page.

THE NEW YORK HERALD

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NEW YORK, THURSDAY, MARCH 10, 1921.

ENTERED AS SECOND CLASS MATTER.
POST OFFICE, NEW YORK, N. Y.

PRICE TWO CENTS

THREE CENTS
WITHIN 500 MILES
FOUR CENTS ELSEWHERE.WORKERS' MISERY
IN GERMANY KEEN
IN LARGER CITIES

Lack of Food, Clothing and
Heat, However, Pre-
vails Everywhere.

DEATHS EXAGGERATED

Undernourished Children
Are Grave Problem—Con-
ditions Best in Berlin.

Germany's
Progress
Toward
Pre-war
Activities

ARTICLE NUMBER 4

The New York Herald publishes herewith the fourth of its series of ten articles portraying industrial conditions in Germany to-day.

This series of articles is the result of a close range study of the Germany of to-day covering a period of three months. The article published to-day describes conditions among the poorer classes. The article to be published to-morrow will treat of the luxury and extravagance to be seen in Berlin.

BY RAYMOND SWING.

Special Correspondent to THE NEW YORK HERALD.
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New York Herald Bureau,
Berlin, Feb. 23.

The Germans, supposed to be the world's most inveterate propagandists, are in reality quite poor exponents of some of their claims. So it is in regard to the privation in Germany. However pressing this claim may be, the Germans support it with more pathos and lamentations than facts. In their conversations they make large statements—tuberculosis and rickets are decimating the schools; labor is half naked and ill; the middle class is ruined. A noted German savant recently wrote an American friend that 2,000,000 German children had died of tuberculosis since the war ended, not stopping to figure that the total number of deaths from tuberculosis, children and adults, in this period is probably not above 300,000.

Had the Germans applied some of the billions of marks squandered in maintaining huge demobilizing corps or in subsidizing newspapers in Upper Silesia to expediting the collection of statistics about life in Germany they might be more hopeful now of obtaining generous consideration. Not that these statistics would show the truth of the sweeping German generalizations. More likely they would correct many exaggerated opinions. But vital statistics are the only reliable guidance the investigator has.

To-day no man in Germany can say what the rate and causes of infant mortality have been since the war ended. So no man can say how many children have died because of the dislocations the peace found in Germany and has failed to order. No man can say what number of children will die unless conditions are improved. The latest national figures are for 1915.

Many a traveler has come to Berlin, has heard more than he witnessed of suffering, has looked from the window of his warm hotel upon the well dressed pedestrians in Unter den Linden, has eaten his fill in glitzy wine restaurants and gone away convinced in his heart that the lot of the Germans was not so hard as they would have him believe.

Pictures Are Overdrawn.

The tales of human suffering are usually inaccurate and overdrawn. Privation in modern city life is not a dramatic spectacle. The ill do not languish on the street corners, the half dressed do not stalk the shopping district, the hungry do not storm the doorways of luxurious hotels. An undernourished child of 10 may have the appearance of a normal one of 7, and his distended abdomen only tells its story when he stands stripped before a medical expert. Beggars, cripples, peddlers and hawkers in the stream of people on the sidewalks are only indications of a greater misery, not proofs of it.

But beyond dispute the life of the vast majority of German city resi-

Continued on Ninth Page.

Congressional Record
Has One Sheet Issue

WASHINGTON, March 9.—The Congressional Record outdid itself for brevity to-day. It consisted of one sheet printed on both sides and devoted mainly to editorials and letters inserted by Senators during yesterday's ten minute session. There was no "leave to extend" remarks supplement or any other reminder of the usual weighty tome covering a day's deliberations. The issue was said to be probably the smallest ever published.

2 HOUR SUBWAY
JAUNT BY BOY OF 3

Seeks Candy Rabbits; Dodges
Mother and Sister; Boards
Train in Brooklyn.

TRAVELS CIRCUIT TWICE

Found Finally Asleep on His
Kiddie Car Outside Times Sq.
Station at 10 P. M.

Mrs. George Mahoney of 558 Fifth street, Brooklyn, asked her three-year-old son, George, Jr., Tuesday afternoon if he and his five-year-old sister, Elizabeth, didn't want to go with her to a meat market and buy some nice pork chops for their father. George refused to grace the expedition with his manly dignity until he had obtained permission to make the trip in his kiddie car and until he had pinned his mother down to a definite promise that lollipops also would be purchased. These demands agreed to, the family went to the meat market, in Fifth avenue, between Fifteenth and Sixteenth streets.

There Mrs. Mahoney and Elizabeth went inside to make their purchases, but George elected to stay outside and amuse the populace with his trick kiddie car riding. Mrs. Mahoney established liaison with her son by means of Elizabeth, who was kept busy popping in and out of the meat market with reports about George. After the first two or three pops she gave her mother this communication without variance:

"George is sitting on his car in front of a candy store window looking at a candy rabbit, and he says you've got to buy him a candy rabbit, too, Mamma. If you buy George a candy rabbit you have to buy me one, too."

Candy Rabbit Hordes in Visions.

But Elizabeth wasn't quite right. George was doing more than stare at the candy rabbit. George was thinking. He was thinking that a year ago he visited Aunt Nellie about Easter time, and Aunt Nellie had dozens and dozens of candy rabbits as well as brilliantly colored eggs that tasted good.

So George decided that the thing to do was to go to see Aunt Nellie. He had to go on a train, so he asked a man where the nearest train was. The man directed him to the Prospect avenue station of the B. R. T. subway, and George went there after devious wanderings, dragging his kiddie car behind him. He had no money, but he walked calmly past the ticket chopper and managed to reach the untown platform.

There he stood until a train came in. He boarded it, being careful to get in the first car, because he was fascinated by the guard there, a man who had a magnificent voice and yelled things through a megaphone.

As nearly as George's parents can gather from his tale of his adventures the boy made two round trips with this loud tugged train, and finally he was that the butcher shop to find George and his kiddie car zone. Of course, Mrs. Mahoney notified the police, and the police started to search, but it never occurred to anybody that George could have got as far away as Manhattan, so while various districts in Brooklyn were being searched, and talk was being made of drawing the Great Eastern Canal, George was scooting around the Times Building in his kiddie car and admiring the bright lights.

Asleep Astride His Kiddie Car.

George's movements from 5 o'clock until 10, when he was found by a policeman fast asleep astride his car, are shrouded in much mystery. He has tried to tell his folks, but they don't seem to understand, and as a matter of fact George tells a different story each time. The only thing he tells more than once is this:

"A lady kissed me and a nice man gave me a candy."

But at any rate George's adventure came to an end finally, and he was sent to the rooms of the Children's Society. The police of Brooklyn were notified after George had said he lived there, and at 5:30 yesterday morning a policeman told the Mahoneys that their son had been found and would soon be returned to them. And about that time a nurse in the Children's Society, dressing George for his return journey, said to him:

"Your mother will give you a spanking for running away."

"Now," said George, "she'll buy me a candy rabbit."

TWO WOMEN CHOSEN MAYORS.

Several Others Win Office in
Minnesota Elections.

ST. PAUL, March 9.—Two women were chosen Mayors in the village and town elections in Minnesota yesterday, returns today showed, and several others were elected to minor political offices.

Mrs. D. C. Pierce was elected Mayor of Ogdensburg and Mrs. Mary Siren was chosen to similar office in Winton, where Mrs. Wilhelm Hill was named City Clerk.

ALLIES MAY CLOSE
AMERICAN SECTOR
TO GERMAN GOODS

Tax Collection Held Up Un-
til Attitude of Washing-
ton Is Known.

PLAN NOT WORKABLE

Cooperation of American
Forces on Rhine Neces-
sary to Tax System.

MAY CUT OFF BRIDGEHEAD

Coblenz Area May Be Sur-
rounded by New Ring of
Custom Houses.

Special Cable to THE NEW YORK HERALD.
Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau,
Paris, March 9.

Although the fixing of the new German customs frontier in accordance with the decisions of the Allied Supreme Council in its meetings in Paris and in London was to be effective immediately, THE NEW YORK HERALD correspondent here learned to-night that the application of the interior tax administration in the occupied zone, which was provided for in the third sanction, is being held up until the American attitude in the Coblenz bridgehead is known, the allied Ambassadors in Washington having been instructed to report on this without delay.

The fact is the American zone of occupation, except on its easterly boundary, is entirely surrounded by French, British and Belgian troops, making the collection of customs duties a matter affecting only the French. The only railroad center in the American zone which is really affected is that at Trier (Trevies, fifty-seven miles southwest of Coblenz), where the French have been in occupation since last year, when the American forces were reduced to their present strength of 2,000 officers and men. The railroads entering the American area from the east pass through territory controlled by the English and the French north of Coblenz or through the French headquarters at Mayence and Weisbaden on the south.

May Isolate Americans.

It would be possible, of course, for German goods to enter Coblenz by way of the ordinary roads for shipment under American authority, but the Allies have envisaged this and are actually considering changing the contour of the bridgehead, which is a semi-circular shape to provide a strip thirty kilometers wide on the right bank of the Rhine, the outlying positions of which would be in the hands of British and French detachments, thus leaving the American forces on the Rhine isolated from the rest of Germany. This move, however, will not be taken unless the Administration of President Harding contests the authority of the Inter-Allied Reparations Commission.

The American Embassy here is awaiting instructions from Washington, but the consensus in Paris is that President Harding will not change orders previously issued to Major-General Henry T. Allen, commanding the American Army of Occupation, which implied close cooperation in the decisions of the High Commission, although the American occupation continues only under the armistice agreement, which does not provide for a special customs regime.

Meanwhile the High Commission has taken the precautionary step of ordering the German customs agents at all frontier stations no longer to turn over their daily receipts to the German Government, but to send their receipts directly to the headquarters of the commission at Coblenz, where a special bank account will be opened for these returns. The money so received will be turned over to the Reparations Commission later on for distribution. This order will become effective to-morrow. All violations of the existing customs regulations are punishable by prison sentence of one year at hard labor.

Paul Doumer, French Finance Minister, was reported to have admitted that the customs arrangement was only a temporary one and was designed to meet the requirements of the situation until May 1, when France will insist on a liberal observance of the peace treaty. The Paris accord of the Allies is, according to the French treaty, abrogated by Germany's refusal to accept it.

U. S. RHINE ARMY ASKED
TO AID WITH SANCTIONS

Help in Tariff Collection
Sought by Allies.

Special Dispatch to THE NEW YORK HERALD.
New York Herald Bureau,
Washington, D. C., March 9.

A request by the allied Powers to have the various armies of occupation on the German frontier, including the United States troops at Coblenz, collect tariffs in accordance with the penalties imposed for the failure of Germany to accept the reparations agreement may compel early action on the American policy toward the allied cause.

Notice of the allied action is contained in a letter addressed to the State Department by Gen. Henry T. Allen, commander of the American forces on the Rhine, reporting that the Inter-Allied Rhine high commission had received a telegram from Premier Lloyd George, in his capacity as president of the interallied conference at London, explaining the decision reached to apply

Continued on Fourth Page.

RHINELAND REPUBLIC UP AGAIN;
400,000,000 MARKS EXPECTED

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau,
Paris, March 9.

FINANCIAL control of the Rhineland will, it is estimated, bring in about 400,000,000 marks gold a year, but only if the mines, forests and roads are included in the control. It is generally admitted that the management of the railroads there is badly in need of revision and that this must be done if they are to be made profitable for the Allies.

A significant silence is being maintained by official newspapers here in connection with the report of a possible establishment of a Rhineland republic. Support of such a move is seen in a suggestion contained in the Temps that commercial relations between the Rhineland and the rest of Germany would be maintained in the most friendly manner in the event of the establishment of such a republic.

"A new regime for the Rhineland would apply a moderate tax on Rhineland merchandise sent into unoccupied Germany, just as raw materials from unoccupied Germany, necessary for provisioning Rhineland industries, must be subjected to a moderate customs tax," the Temps says.

BELGIANS OCCUPY
RHINE COAL PORT
BOTH COMMITTEES
O.K. TRANSIT PLANS

Germans Make No Demonstra-
tions as Force Entered
Hamborn, Near Duisburg.

SOCIALISTS TRACTABLE

Say if Allied Army Rids Them
of State Police They Are
Satisfied.

By the Associated Press.
BERLIN, March 9.—The Belgians have occupied Hamborn, to the north of Duisburg, and the coal port of the Thyssen works. The occupation was without incident.

By the Associated Press.
DUSSELDORF, Germany, March 9.—Twenty-four hours have passed since the allied troops marched into the new zone of occupation. Not the slightest untoward incident has occurred, and Gen. Degoutte, in command of the occupation, has returned to Mayence. "One could almost say that our arrival is the fulfillment of a long cherished hope," commented a high allied officer to-day.

The workers, who might be expected to give trouble, show no signs of dissatisfaction. The Socialist leaders say the army has promised to respect their organizations; that is all they ask. If the army rids them of the hated "green devils," as the State police are called, they promise to live on the best terms with it.

An effective installation of the customs regime on the Rhine and along the allied frontiers is still waiting on the decision of the allied Governments as to the details of application. The first real cash payment on reparations was collected yesterday, when the Allies seized all the money in the cash boxes of the custom houses on the French and Belgian frontiers. The total amount will be turned over to the Reparations Commission.

The censorship announced in Gen. Degoutte's proclamation applies only to local publications and is intended only to prevent propaganda which might prove dangerous for the troops of occupation. The proclamation informed the population of Dusseldorf that the army of occupation would hinder business as little as possible. With regard to the giving up of arms within twelve hours the proclamation announced a penalty comprising a fine and imprisonment for failure to comply.

Gen. Gauchier this morning received the notable of the town and told them that the conditions of occupation would be as lenient as was compatible with security. Among the first arrivals were the representatives of the labor unions, who informed Gen. Gauchier that they had rejected the proposed general strike and that they considered the occupying forces not as enemies but rather as "bushills" who have come to collect a legal debt.

A number of the inhabitants of Dusseldorf interrogated to-day mostly gave the opinion that Dr. Simons, the German Foreign Secretary, should have accepted the decisions of the Paris Reparations Conference.

Many Germans are calling at the French headquarters and offering to enlist in the Foreign Legion.

At Duisburg and Ruhrort a certain ferment is apparent. The walls are plastered with placards headed with the red flag. The soldiers have occasionally to disperse merrily fested groups, but it seems merely a passing show of ill humor, for the factories are working full blast, while other sections of the population appear to feel relief.

Gen. Degoutte's proclamation of a state of siege ordered the surrender of all arms within twelve hours and prohibited strikes or sabotage. The German authorities and the police are to act under supervision of the Allies. Street traffic will not be hindered unless disturbances arise.

An occupation assures the maintenance of that order town and to the man heart, while Gen. Degoutte's proclamation, promising a better food supply, has made an excellent impression.

Alongside of the order of the French

Continued on Fourth Page.

Country Board

There's always a lot of Country Board Advertisements in The Herald's Want Ad. Section. Folks know from experience that Herald's QUANTITY circulation of more than 200,000 brings splendid results. Whether you are looking for a place in the country to live this Summer or whether you want boarders, you can be certain in advance of fine returns if your ad. is in

THE NEW YORK HERALD

Fitz Roy 6000.

Continued on Sixth Page.

RED LEADERS FLEE
AS REVOLT FORCES
SEIZE PETROGRAD

Anti-Soviet Troops Capture
All of City Except Two
Railroad Stations.

TWO FORTS SURRENDER

Beaten Army Retreats and
Trotzky With Guards Es-
capes to Fortress.

FINNS JOIN REVOLUTION

Refuse Brusiloff's Order to
Fire on Mobs, Leaving Task
to Chinese Soldiers.

LONDON, March 10 (Thursday).—A despatch to the London Times from Riga dated Wednesday says that all the Bolshevik leaders in Petrograd escaped by motor car after the capture by the revolutionaries this morning of the entire city with the exception of the Nicola and Finland Railroad stations.

The Soviet troops suffered heavy losses at Krasnoye Selo, eighteen miles southeast of Petrograd, and at Gatchina, thirty miles to the southwest. The Krasnoye Gorko and Oranienbaum fortresses have surrendered. The Red army has retreated twenty versts.

A Central News despatch from Helsinki, dated yesterday, says that fighting is continuing in the streets of Petrograd and that War Minister Trotzky and M. Zinovief, the Soviet Governor of Petrograd, were reported to have taken refuge in the fortress of SS. Peter and Paul, surrounded by a large number of protective troops.

"General Brusiloff (former Commander-in-Chief of the Russian armies in the late stages of Russia's participation in the European war) effected an organization of the Soviet troops in the city," continues the despatch. "and ordered a mixed regiment of Finnish and Chinese to clear the streets. The revolutionaries, however, refused to fire on the Finns, who joined the revolutionaries, the latter repulsing the Chinese." "Moscow is reported quiet, with Lenin remaining inside the Kremlin, issuing orders for arrests, which are occurring by the hundreds."

THREAT BY TROTZKY IS
SCORNED BY ANTI-REDSKronstadt Refuses to Sur-
render to 'Last Warning.'

By CAPT. FRANCIS MCCULLAGH.

Special Cable to THE NEW YORK HERALD.
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REVAL (Updated).—The Reds hold the fortress of Kronstadt, of which only two secondary forts, Riff and Oranienbaum, had declared favor of the Kronstadt revolutionaries. These two forts, however, offered no resistance yesterday when Trotzky's troops suddenly surrounded Kronstadt Gorko with an overwhelming force. After the surrender the entire garrison was replaced with Red troops.

Trotzky then imperatively summoned Kronstadt to surrender, saying that it was the last warning to the revolutionaries. When the refusal to surrender he ordered Krasnoye Gorko and Totebten at Sestroretsk on the Finnish frontier to bombard Kronstadt, which they did. Kronstadt cannot fire direct on Petrograd, as the Kronstadt gun fire westward only. It was the dreadnought Petropavlovsk and other ships that bombarded Petrograd, the firing lasting until midnight.

This morning Kronstadt sent a radio message greeting the Russian workers and saying: "Fight for the election of a free Soviet."

The Reds launched their attacks on Kronstadt by marching over the ice from Sestroretsk. The first attacks were repelled by artillery fire from the Krasnoye Gorko fortress, which broke the ice, drowning many in the attacking party.

After Trotzky started the bombardment the battleship Petropavlovsk, which is in possession of revolutionary workers, sent out the following wireless message:

"The first shot has been fired. Standing up to the time in fraternal blood, the bloody flag of the revolution has opened fire on the revolutionary forces at Kronstadt when we proposed to send a deputation to Petrograd. Trotzky hid this proposition from the people of Petrograd and answered with shells. This is the usual reply of the pseudo-workers and peasants' government to the demands of workers' justice. We have no intention of accepting the fascist dictatorship of the pseudo-Communist, intoxicated with the power."

The New York Herald's correspondent at Narva, writes that two Red armored trains went to Oranienbaum to prevent the Kronstadt revolutionaries from crossing the ice at Pskov. The Red guards refused to go to Petrograd as the Finnish White Guards guarded the ice to Kronstadt, where one of the revolutionary leaders is the priest Putilin, who is popularly credited with having predicted the prophetic powers of Father John of Kronstadt.

"The Reds say there is a food shortage at Kronstadt, that there is no flour and that the 3,000 pounds of biscuits will last only three or four days, but the same Narva correspondent, who recently was in Kronstadt, says there is food enough for four months and ammunition enough to last two years.

A month ago Trotzky made himself unpopular at Kronstadt owing to his reply to the deputation asking redress for certain grievances. In his reply Trotzky said:

"The Russian Republic is not going to be intimidated by a pack of drunken sailors."

The latest Petrograd news is that Trotzky's position is strong, owing to the removal of discontented troops. He

Continued on Third Page.

Labor Federation Will
Fight Wage Reductions

OFFICIALS of the American Federation of Labor said in Washington last night that the Federation is firmly behind local unions that have been compelled to strike to maintain wages, and that it will stand with the affiliated railroad unions in any action the latter may take to prevent wage reductions.

The Federation repeatedly has declared itself opposed to wage reductions at this time and intends to fight to the last against every such cut in any industry. The New York Herald was not able to reach Samuel Gompers, president, or Frank Morrison, vice president of the Federation last night.

PENNSYLVANIA R. R.
TO CUT ALL WAGES

Every Man, From President
Down, to Be Affected by
Pay Reduction.

ORDERED BY DIRECTORS
70 Per Cent. of Current Earn-
ings Now Absorbed by
Labor Charges.

Special Dispatch to THE NEW YORK HERALD.
PHILADELPHIA, March 9.—The Pennsylvania Railroad announced to-day a pay cut affecting every officer and employee. The amount of the cut was not disclosed. All pay will be reduced, but in varying ratios based upon such considerations as pay in other lines for similar work, skill and hazard of occupation, and the ratio of wages paid to the cost of living in the locality.

When the wage cut plans have been worked out in detail, which is to be as quickly as possible, they will be submitted to the 210,000 employees of the railroad for approval.

In the event of disapproval the company will appeal to the Railroad Labor Board for permission to make the cuts in spite of the men's objection. One effect of the wage reduction order, as was pointed out in the formal statement of the railroad, is the likely re-employment of thousands of men laid off.

Basic Considerations.

"In negotiating salaries and wages," the resolution says, "the management shall have due regard, among other relevant circumstances, to:

"The scale of wages paid for similar kinds of work in other industries.

"The relation between wages and the cost of living.

"The hazards of employment.

"The degree of responsibility.

"The training and skill required.

"The character and regularity of employment.

"Inequities of increases in wages or of treatment, the result of previous wage orders or adjustments, certain of which items are variable, differing materially as between various localities, over an large area as that covered by the Pennsylvania system. This differentiation shall be recognized in all readjustments.

"Such reductions as are made in salaries and wages shall bear an equitable relationship to the increases in pay made since January 1, 1918.

"The equitable differentials which should apply between various classes of employees shall be maintained or restored.

"In procedure in effecting such readjustment of salaries and wages shall be taken in an orderly manner, and in strict accord with the transportation act."

The resolution in the preamble states the company already has made a reduction of more than 10,000 men, "seriously curtailing maintenance of railroads, and equipment, consolidated divisional organizations and stopped all expenditures on new work."

"Even with such economies as have already been taken," says the preamble, "it takes almost the whole of the earnings merely to pay current operating expenses."

"In February 10 per cent. of all Pennsylvania system operating earnings were absorbed by charges for labor, against a normal charge for labor of less than 50 per cent. of earnings.

"A foundation for the restoration of normal business cannot, as laid until there has been a frank recognition of the real situation and a readjustment of wages to meet the altered conditions. The more promptly an adjustment to the inexorable facts is made, the more promptly can those who are now idle be reemployed and a basis established for renewed prosperity.

"In making a readjustment of salaries and wages, it is but fair and proper that the burden should be borne by all officers as well as employees."

"Orderly and Regular Manner."

T. Dewitt Cuyler, one of the directors of the Pennsylvania and head of the railroad executives' association, was asked how the order would accord with the recent decision of the Railroad Labor Board that the Erie Railroad must restore its rates which it had tried to cut.

"The situation with us is simply this," he said. "We are proceeding in an orderly and regular manner in strict accord with the Transportation Act, and this affects all classes of employees, from the highest to the lowest.

"We will first call meetings of our employees and put the matter squarely up to them and if they agree the matter is settled. The jurisdiction of the Railroad Labor Board."

"Does it mean," Mr. Cuyler was asked, "that if they agree the road will be able to take back the 20,000 men laid off?"

"It certainly will mean that with a return to normal conditions we will take back as many men as the business will allow."

"What do you think the cut will be in percentage of wages?"

"It is absolutely impossible to say, be-

Continued on Eighth Page.

SWEEPING WAGE
CUTS DECREED ON
EVERY RAILROAD

Concerted Action Within
Ten Days Agreed On to
Bring Labor Cost
to Minimum.

HEAVY TRAFFIC SLUMP

400,000 Idle and Freight
Cars With Little Prospect
of Movement Leads to
Determined Action.

EXECUTIVES DEMOTED

New York Central to Wipe Off
\$500,000 a Month—Jersey
Central Men Make Un-
paralleled Offer.

Within the next ten days virtually every railroad in the United States will be engaged in concerted action to bring about a straight cut in all labor costs. The Pennsylvania Railroad took the initiative yesterday by announcing that every officer and employee, from the president of the system down—nearly 215,000 all told—was about to suffer a reduction in pay.

The New York Central Railroad having given notice of a wage reduction to its unskilled but organized labor is about to announce that it will follow the lead of the Pennsylvania Railroad and even go that corporation one better. The New York Central plans to top about \$500,000 off its monthly payroll by the expedient of demoting executives inside and outside the general offices and reducing clerical and other office staffs to what it hopes will be an irreducible minimum.

The railroads declare the action imperative. They declare themselves experiencing the greatest slump in traffic that has occurred within the last ten years. They point to 400,000 empty freight cars standing idly in silent yards and say they see no probability of wheels turning until conditions change.

Practically every railroad in the country is planning to follow the Pennsylvania and the New York Central's example. Already several of the principal roads have held conferences with the representatives of their so-called unskilled workers. Within a fortnight the rest will have done likewise. Organized and unorganized employees and all executives will be required to participate in the wage revision.

Showdown With Unions.

Briefly it will precipitate a showdown within the next thirty days at the outside between the railroad executives and the union officials, exclusive of the four big brotherhoods, on the current problem of whether these unions should be required to bear their share of the rigors of deflation. The problem will not be solved by simultaneous action nor, for that matter, by solution concertedly agreed upon, although railroad executives have conferred upon wages and means to the unanimously desired end. It is altogether likely that the move will be initiated along lines of progression—first reducing the pay of the unskilled and then treating for similar result with the skilled workers. In a general way the approach will be made by indicating that conditions have become so bad that the rate in wages authorized by the Railroad Labor Board on July 20, 1919, no longer obtains—that conditions have changed materially—and that the roads now find it an impossibility to continue paying this scale.

Then it is the intention of the roads to propose lopping off every advance in wages of whatever sort, that was granted after July 20, 1919.

Conference will be called. The roads propose taking every step and making every logical concession necessary to induce their employees to agree with them. However, if such agreement is impossible the railroad heads purpose to put the revised wage scale into effect and to sit aside while the workers present their case to the case to the Railroad Labor Board. Just at present the plan proposed for calling such class of skilled workmen into conference separately. For example, the shop crafts, which include the machinists, boiler-makers, carpenters, painters, plumbers, sheet iron workers, car repairers, blacksmiths and electricians, will be conferred with on one date. The engine men will have their meeting another day, and in turn the switchmen and others will be consulted.

It is planned that this wage reduction will become operative at some time between April 15 and April 20.

Effect of the Proposals.

In the meantime the conferences now being held with the unskilled workers here in the eastern territories will continue, and according to officials of virtually all the roads the revised wage scales will go into effect April 1, as scheduled. In effect the plan amounts to this:

Through the whole wage problem back into the melting pot and put the mess squarely up to the Railroad Labor Board. Naturally volumes of statistics and argument will be offered the board, the roads insisting that they cannot continue on the financial basis they now rest on.

The New York Central Railroad probably will announce its plan today. Up in Grand Central Terminal the intra-office correspondence characterizes the necessity for the sweeping reductions in force and wages as a move necessary to "establish a closer relationship between expense and revenue."

That it must be understood, will be quite independent of the new wage scale offered the unskilled unions on Tues-

Continued on Eighth Page.